

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
GOVERNOR'S RESIDENCE COMMISSION
July 1, 2001 to June 30, 2004

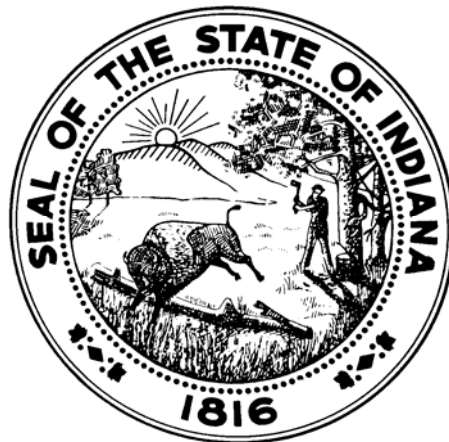


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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman	Hon. Frank L. O'Bannon	01-08-01 to 09-08-03
	Hon. Joseph E. Kernan (Interim)	09-09-03 to 09-12-03
	Hon. Joseph E. Kernan	09-13-03 to 01-09-05
	Hon. Mitchell E. Daniels, Jr.	01-10-05 to 01-11-09
Secretary	Glenn Lawrence	03-06-00 to 10-12-02
	David Perlini (Deceased)	10-13-02 to 09-25-03
	F. Daniel Gettlefinger	09-26-03 to 10-05-03
	Vacant	10-06-03 to 10-13-03
	Charles Martindale	10-14-03 to 01-09-05
	Danielle Chrysler	01-10-05 to 01-11-09



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GOVERNOR'S RESIDENCE COMMISSION

We have examined the schedule of receipts, disbursements, and cash and investment balances of the Governor's Residence Commission, for the period of July 1, 2001, to June 30, 2004. The Commission's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. Pursuant to IC 5-11-1-26, we reviewed the agency's compliance with IC 5-16-8 regarding use of domestic steel products. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Commission for the years ended June 30, 2002, 2003, and 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 26, 2005

GOVERNOR'S RESIDENCE COMMISSION
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
As Of And For The Years Ended June 30, 2002, 2003, And 2004

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Cash and investments, July 1	\$ 59,248	\$ 21,145	\$ 781,813
Receipts:			
Contributions	2,232	852,036	437,575
Interest	<u>50</u>	<u>965</u>	<u>388</u>
Total Receipts	<u>2,282</u>	<u>853,001</u>	<u>437,963</u>
Disbursements:			
Furniture	-	-	2,200
Household Items and Decorations	701	8,141	6,800
Exterior Improvements	30,000	83,824	890,130
Interior Improvements	-	-	44,080
Bank Service Fees	96	155	536
Miscellaneous	<u>9,588</u>	<u>213</u>	<u>297</u>
Total Disbursements	<u>40,385</u>	<u>92,333</u>	<u>944,043</u>
Excess (deficiency) of total receipts over (under) total disbursements	<u>(38,103)</u>	<u>760,668</u>	<u>(506,080)</u>
Cash and investments, June 30	<u>\$ 21,145</u>	<u>\$ 781,813</u>	<u>\$ 275,733</u>

The accompanying notes are an integral part of the schedules.

GOVERNOR'S RESIDENCE COMMISSION
NOTES TO SCHEDULE

Note 1. Introduction

The Commission was established under the laws of the State of Indiana. The Agency provides funding for maintenance and improvements to the Governor's Residence.

Note 2. Fund Accounting

The Commission uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. See Note 4. regarding Construction in Progress.

Note 3. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were insured by the Federal Depository Insurance Corporation up to \$100,000. Balances in excess of the \$100,000 were insured by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Agency to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

Note 4. Construction in Progress

In June 2001, the Commission initiated a fund-raising program to support an addition to the Governor's Residence. At June 30, 2003, and June 30, 2004, the Commission's investment (labeled Exterior Improvements) had cumulative construction in progress of \$113,824 and \$1,003,954, respectively. The financial schedule does not include in-kind donated materials provided during the construction period totaling \$333,516. The Commission secured and accepted the contractor's Certification of Substantial Completion on July 30, 2004, and on November 4, 2004, issued the final check to the contractor on receipt of the Contractor's Affidavit for Final Payment and receipt of the required subcontractor final lien waivers. The final construction cost, both direct expenses and the fair value of that received by in-kind donation, will be added to the cost of the Governor's Residence on the fixed assets records maintained by the Indiana Department of Administration.

GOVERNOR'S RESIDENCE COMMISSION
EXIT CONFERENCE

A copy of the Schedule of Receipts, Disbursements, and Cash and Investments was supplied to Danielle Chrysler, Governor's Advance Scheduler and Chief of Staff for First Lady, on September 13, 2005.